

EMPORIA PUBLIC LIBRARY

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2014

EMPORIA PUBLIC LIBRARY

FINANCIAL STATEMENTS For the Year Ended December 31, 2014

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INDEPENDENT AUDITOR'S REPORT

Board Members
Emporia Public Library
Emporia, Kansas

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Emporia Public Library, Kansas, as of and for the year ended December 31, 2014 and the related notes to the financial statement, which collectively comprise the library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Emporia Public Library as of December 31, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The Library has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 16-21 and 33 be presented to supplement the basic financial statements. As noted above the Library has not presented management's discussion and analysis. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting and Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Emporia public Library's basic financial statements. Combining and individual nonmajor fund financial statements and summary schedule of receipts, expenditures and unencumbered cash – regulatory basis are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and summary schedule of receipts, expenditures and unencumbered cash – regulatory basis are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and summary schedule of receipts, expenditures and unencumbered cash – regulatory basis are fairly stated in all material respects in relation to the basic financial statement as a whole.

Other reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2015 on our consideration of the Emporia Public Library's internal control over financial reporting and on out tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Emporia Public Library's internal control over financial reporting and compliance.



Agler & Gaeddert, Chartered
March 3, 2015

EMPORIA PUBLIC LIBRARY

GOVERNMENTAL FUNDS BALANCE SHEET/ STATEMENT OF NET POSITION For The Year Ended December 31, 2014

	<u>General Fund</u>	<u>Memorial and Gift Special Revenue Fund</u>
ASSETS		
Cash and cash equivalents	\$ 192,458	\$ 139,247
Capital assets, net	<u>0</u>	<u>0</u>
Total assets	<u>\$ 192,458</u>	<u>\$ 139,247</u>
LIABILITIES		
Accounts payable	\$ 56,289	\$ 5,036
Accrued compensated absences	<u>20,472</u>	<u>0</u>
Total liabilities	<u>76,761</u>	<u>5,036</u>
FUND BALANCES / NET POSITION		
Fund balances:		
Nonspendable	0	0
Restricted	0	134,211
Assigned	5,157	0
Unassigned	<u>110,540</u>	<u>0</u>
Total fund balances	<u>115,697</u>	<u>134,211</u>
Total liabilities and fund balances	<u>\$ 192,458</u>	<u>\$ 139,247</u>
Net position:		
Invested in capital assets, net of related debt		
Restricted		
Nonexpendable		
Expendable		
Unrestricted		
Total net position		

The accompanying notes are an integral part of this statement.

Statement 1

<u>Friends of the Library</u>	<u>Other Governmental Funds</u>	<u>Total</u>	<u>Adjustments (Note I-C-1)</u>	<u>Statement of Net Position</u>
\$ 79,851	\$ 82,589	\$ 494,145	\$ 0	\$ 494,145
<u>0</u>	<u>0</u>	<u>0</u>	<u>384,346</u>	<u>384,346</u>
<u>\$ 79,851</u>	<u>\$ 82,589</u>	<u>\$ 494,145</u>	<u>\$ 384,346</u>	<u>\$ 878,491</u>
\$ 0	\$ 0	\$ 61,325	\$ 0	\$ 61,325
<u>0</u>	<u>0</u>	<u>20,472</u>	<u>0</u>	<u>20,472</u>
<u>0</u>	<u>0</u>	<u>81,797</u>	<u>0</u>	<u>81,797</u>
0	82,589	82,589	(82,589)	0
79,851	0	214,062	(214,062)	0
0	0	5,157	(5,157)	0
<u>0</u>	<u>0</u>	<u>110,540</u>	<u>(110,540)</u>	<u>0</u>
<u>79,851</u>	<u>82,589</u>	<u>412,348</u>	<u>(412,348)</u>	<u>0</u>
<u>\$ 79,851</u>	<u>\$ 82,589</u>	<u>\$ 494,145</u>		
			\$ 384,346	\$ 384,346
			82,589	82,589
			214,062	214,062
			<u>115,697</u>	<u>115,697</u>
			<u>\$ 796,694</u>	<u>\$ 796,694</u>

EMPORIA PUBLIC LIBRARY

STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES / STATEMENT OF ACTIVITIES For The Year Ended December 31, 2014

	<u>General Fund</u>	<u>Memorial and Gift Special Revenue Fund</u>
Revenues		
Intergovernmental	\$ 819,703	\$ 0
Charges for services	23,546	0
Use of money and property	511	156
Donations		
Current operations	8,153	46,173
Miscellaneous	<u>603</u>	<u>0</u>
Total revenues	<u>852,516</u>	<u>46,329</u>
Expenditures		
Culture and recreation		
Personal services	597,986	0
Contractual services	144,888	13,433
Commodities	95,042	14,574
Other	1,458	3,199
Depreciation	0	0
Capital outlay	<u>27,599</u>	<u>3,805</u>
Total expenditures	<u>866,973</u>	<u>35,011</u>
Excess (deficiency) of revenues over expenditures	(14,457)	11,318
Other financing sources (uses)		
Interfund transfers in	0	514
Interfund transfers out	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>514</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(14,457)	11,832
Fund balances / net assets, beginning of year	<u>130,154</u>	<u>122,379</u>
Fund balances / net assets, end of year	<u>\$ 115,697</u>	<u>\$ 134,211</u>

The accompanying notes are an integral part of this statement.

Statement 2

Friends of the Library Endowment Permanent Fund	Other Governmental Funds	Total	Adjustments (Note I-C-2)	Statement of Activities
\$ 0	\$ 10,937	\$ 830,640	\$ 0	\$ 830,640
0	0	23,546	0	23,546
260	254	1,181	0	1,181
0	0	54,326	0	54,326
0	0	603	0	603
<u>260</u>	<u>11,191</u>	<u>910,296</u>	<u>0</u>	<u>910,296</u>
0	0	597,986	(19,821)	578,165
0	0	158,321	0	158,321
0	10,937	120,553	(93,580)	26,973
0	0	4,657	0	4,657
0	0	0	106,219	106,219
0	0	31,404	(8,739)	22,665
<u>0</u>	<u>10,937</u>	<u>912,921</u>	<u>(15,921)</u>	<u>897,000</u>
260	254	(2,625)	15,921	13,296
0	0	514	(514)	0
<u>(260)</u>	<u>(254)</u>	<u>(514)</u>	<u>514</u>	<u>0</u>
<u>(260)</u>	<u>(254)</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	(2,625)	15,921	13,296
<u>79,851</u>	<u>82,589</u>	<u>414,973</u>	<u>383,610</u>	<u>783,398</u>
<u>\$ 79,851</u>	<u>\$ 82,589</u>	<u>\$ 412,348</u>	<u>\$ 399,531</u>	<u>\$ 796,694</u>

EMPORIA PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The scope of the entity for financial reporting purposes is defined as those funds for which the Emporia Public Library (the Library) is considered to be financially accountable. The Library's financial statements include all of its operations of the primary government. The Library is a separately administered organization that is dependent on the City of Emporia for the levy of tax and appointment of the respective governing board. The Library's financial statements are included in summary form as a component unit in the City of Emporia's comprehensive annual financial report.

The Library has one component unit which is not included in these financial statements which is the not for profit corporation called Friends of the Library. The Friends of the Library hold fund raisers for the Library (generally two a year) in which the Friends of the Library sell used books some of which are provided by the Library from outdated and old selections the Library no longer uses. Over the years the Friends of the Library have donated \$79,851 in funds which are restricted. The Library includes a fund called Friends of the Library in which these funds are deposited. In addition, the Friends of the Library (the not for profit corporation) provides unrestricted funds for general operations of the Library.

B. Basis of Presentation, Basis of Accounting

The Library is a special-purpose government engaged in a single governmental program (culture and recreation). Therefore, the Library presents its financial statements utilizing a combination format that reconciles individual line items of fund financial data to government-wide data.

Basis of Presentation

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Library as a whole. The Library financial statements only report governmental activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Eliminations have been made to minimize the double counting of internal activities.

Fund Financial Statements - The fund financial statements provide information about the Library's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Library reports the following major governmental funds:

General Fund. This is the Library's primary operating fund. It accounts for all financial resources of the Library, except those required to be accounted for in another fund.

Memorial and Gift Special Revenue Fund. This fund accounts for revenue sources that are legally restricted to expenditures for specific purposes.

Friends of the Library and Permanent Endowment Funds. These fund accounts for revenue sources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Library's programs.

The other aggregate nonmajor funds of the Library account for grants and other resources whose use is restricted to a particular purpose.

EMPORIA PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Measurement Focus, Basis of Accounting

B. Basis of Presentation, Basis of Accounting - continued

Government-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-change transactions, in which the Library gives (or receives) value without directly receiving (or giving) equal value in exchange, include property tax appropriations, grants, and donations. On an accrual basis, revenue from property tax appropriations is recognized in the fiscal year for which the tax is levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements - Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Library considers all revenue reported in the governmental funds to be available if the revenue is collected within 60 days after year-end. Appropriations for property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

C. Assets, Liabilities and Net Position or Equity

1. Deposits and Investments

The Library maintains a cash pool that is available for use by the General Fund and all Special Revenue Funds except Memorial and Gift Special Revenue Fund. The individual funds' portions of the pool's fair value are presented as "Cash and cash equivalents". Earnings on the pooled funds are allocated to the General Fund. The Memorial and Gift Special Revenue Fund holds donated investments. Earnings from these investments are allocated to the Memorial and Gift Special Revenue Fund. Investments are money markets and certificates of deposit.

2. Capital Assets

Purchased capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The Library utilizes a capitalization threshold amount of \$5,000. The collection of books and non-print items is capitalized based on the group method. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The Library's art collection is capitalized but is not depreciated.

Asset Class	Estimated Useful Lives
Library Collection	3 - 5 years
Equipment	3 - 20 years
Leasehold Improvements	10 - 40 years

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

The Library building and internal fixtures, for which construction was financed with general obligation bonds of the City of Emporia, are carried as assets of the City as per Kansas statute. The Library utilizes the building rent-free on an indefinite basis. During the year ended December 31, 2014 the City installed a new heating and air conditioning system which the City paid for in the amount of \$353,684.

EMPORIA PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Assets, Liabilities and Net Position or Equity - continued

3. Compensated Absences

The Library's policy regarding vacation time states that an employee may carryover no more than 18 working days of vacation to the next fiscal year and any unused vacation time will be paid upon termination of employment. The policy regarding discretionary holiday pay states that an employee must use available days within one year of earning and any unused discretionary time will be paid upon termination of employment. The policy regarding sick pay states that an employee can accrue no more than 120 days of sick leave and any unused sick leave will not be paid upon termination of employment.

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated vacation and discretionary holiday benefits. These benefits are calculated based on carryover leave at year-end multiplied by the current pay rate. Unpaid, accumulated sick leave is not reported, as it is not paid upon termination.

4. Fund Balances – Governmental Funds

The Library has elected to implement GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. In the fund financial statements, governmental funds report the following classifications of fund balance:

- **Nonspendable** – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as non-spendable at December 31, 2014, by the Library are contractually required to be maintained intact.
- **Restricted** – includes amounts restricted by external sources (creditors, grantors, contributors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- **Committed** – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Library's Board of Directors, the Library's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Library's Board of Directors.
- **Assigned** – includes amounts that the Library intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. According to the Library's policy, amounts may be assigned by the Director under the authorization of the Library's Board of Directors.
- **Unassigned** – includes amounts that have not been assigned to other funds or restricted, committed, or assigned to specific purpose within the fund.

When expenditures are incurred for purposes for which either restricted or unrestricted fund balances are available, the Library uses restricted funds first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Library considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Library's Board of Directors has provided otherwise in its commitment or assignment actions.

EMPORIA PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. Revenue Recognition - continued

1. Donations

Donations are recognized when received by or unconditionally pledged to the Library. Donations restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the donations are recognized. All other donor-restricted donations are reported as increases in restricted net assets.

2. Donated Materials and Services

The Library records the value of donated materials when there is an objective basis available to measure their value. Donated materials are reflected as donations in the accompanying statements at estimated values at the date of receipt.

Donations of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Library reports such donations at their estimated fair value when received. There were no current year donations of services meeting these criteria.

3. Charges for services

Charges for services consist of fee, fines, and other charges to users of library services.

4. Use of Money and Property

Use of money and property consist of interest earned on deposits and investments.

E. Fair Values of Financial Instruments

The Library's financial instruments are cash and cash equivalents, accounts receivable, accounts payable. The recorded values of the above listed financial instruments approximate their fair values based on their short-term nature.

F. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Library Board adopts an internal budget for the support and maintenance of the Library. In accordance with Kansas law, this budget is presented to the City of Emporia for tax levy on behalf of the Library. The levy cannot exceed the limitations fixed by law. The City did not amend the Library's budget. All budgets are prepared utilizing the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations lapse at year-end. The Library Board prepares internal budgets for the General Fund and Special Revenue Funds. A budget is not prepared for Permanent Funds.

EMPORIA PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - continued

B. Compliance with Kansas Statutes

References made herein to statutes are not intended as interpretations of law, but are offered for consideration of the Kansas State Library and interpretation by the legal representative of the Library.

Management is not aware of any statutory violations for the year ended December 31, 2014.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the Library. The statute requires banks eligible to hold the Library's funds have a main branch bank in the county in which the Library is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Library has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Library's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Library has no investment policy that would further limit investment choices.

Custodial credit risk – deposits. Custodial credit risk is the risk in the event of a bank failure, the Library's deposits may not be returned to it. State statutes require the Library's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas District, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The Library did not have any designated "peak periods" for the current year. All deposits were legally secured at December 31, 2014.

At December 31, 2014, the Library's bank amount of deposits, including certificates of deposit and cash on hand, was \$520,568 and the book balance was \$494,155. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$399,146 was covered by FDIC insurance and \$121,422 was collateralized with securities held by the pledging financial institutions' agent in the Library's name.

Investments - All funds, except for the Memorial and Gift Special Revenue Fund, are subject to Kansas statutes which authorize the Library to invest in U.S. Treasury bills and notes, repurchase agreements, and the State Treasurer's investment pool. All investments must be insured, registered, or held by the Library or its agent in the Library's name. The Library held no such investments at December 31, 2014.

EMPORIA PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

III. DETAILED NOTES ON ALL FUNDS - continued

B. Capital Assets are detailed as follows:

	<u>Beginning Balance</u>	<u>Current Year</u>		<u>Ending Balance</u>
		<u>Additions</u>	<u>Retirements</u>	
Capital Assets Not Being Depreciated				
Art collection	\$ 10,310	\$		\$ 10,310
Other Capital Assets				
Library collection	468,903	93,580	115,308	447,175
Equipment	266,960	8,739	0	275,699
Leasehold improvements	<u>165,970</u>	<u>0</u>	<u>0</u>	<u>165,970</u>
Totals at historical cost	<u>912,143</u>	<u>102,319</u>	<u>115,308</u>	<u>899,154</u>
Less: Accumulated depreciation:				
Library collection	(276,379)	(81,656)	(115,282)	(242,753)
Equipment	(189,710)	(16,769)		(206,479)
Leasehold improvements	<u>(57,783)</u>	<u>(7,793)</u>		<u>(65,576)</u>
Total accumulated depreciation	<u>(523,872)</u>	<u>(106,218)</u>	<u>(115,282)</u>	<u>(514,808)</u>
Net capital assets	<u>\$ 388,271</u>	<u>\$ (3,899)</u>	<u>\$ 26</u>	<u>\$ 384,346</u>

C. Long-Term Obligation Activity

Changes in long-term obligations for the year ended December 31, 2014, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Compensated absences	\$ 19,846	\$ 626	\$ 0	\$ 20,472

Compensated absences are paid from the General Fund and are considered to be current liabilities.

D. Interfund Transfers To/From Other Funds

During the course of normal operations, the Library has numerous transactions between funds. Interfund transactions are classified as "Other financing sources (uses)" in the governmental funds; as "Interfund transfers in" by the recipient fund, and "Interfund transfers out" by the disbursing fund.

Interfund transfers to/from other funds for the year ended December 31, 2014, consist of the following:

EMPORIA PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

III. DETAILED NOTES ON ALL FUNDS - continued

D. Interfund Transfers To/From Other Funds - continued

<u>Interfund Transfers Out</u>	<u>Interfund Transfers In</u>	<u>Amount</u>
Other Governmental Funds		
L.J. Buck Memorial		\$ 36
Mary Jeanneret Curry Memorial		7
Groh Tribute		16
Stanley Hagan Memorial		12
Pat Mann Memorial		27
Anderson Memorial		3
Jane Brockhouse Memorial		3
Janet Brown Memorial		7
Susan Ellis Memorial		10
Barbara Fleisher Memorial		6
G.E. Glover Memorial		3
Rocky Hartzler Memorial		4
Sandy Hartzler Memorial		3
Elnora Hazelrigg Memorial		21
L.T. Heritage Memorial		30
Grace Johnson Memorial		3
Esther Price Memorial		8
Eulalia Seiler Memorial		18
Margaret Spencer Memorial		3
Leana A. Reed Swanson Memorial		7
William Clayton Swanson Memorial		7
Harry Toms Memorial		15
Cochennet Memorial		5
Total Other Governmental Funds	Memorial and Gift	254
Friends of the Library Endowment	Memorial and Gift	260
		<u>\$ 514</u>

IV. OTHER INFORMATION

A. Defined Benefit Pension Plan

Plan description - The Library participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas Avenue, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding policy - KSA 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is Tier 1 or Tier 2 member. The Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

EMPORIA PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

IV. OTHER INFORMATION - continued

A. Defined Benefit Pension Plan - continued

Net Pension Liability - The total pension liability for KPERS was determined by an actuarial valuation as of December 31, 2013, which was rolled forward to June 30, 2014. As of June 30, 2014 the net pension liability for KPERS was \$8,291,794,910. KPERS has not determined the Library's proportionate share as of the date of these financial statements. The complete actuarial valuation report including all actuarial assumptions and methods is publically available on the website at www.kpers.org or can be obtained as described in the first paragraph above.

B. Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the Library allows retirees to participate in the group health insurance plan provided through the City. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Library makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

C. Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Library carries commercial insurance. During the last three years, claim settlements have not exceeded insurance coverage.

D. Contract with Lyon County

Lyon County, Kansas contracts with the Library Board to provide library services to any resident of Lyon County who resides outside the City of Emporia. For financial statement purposes, these amounts are identified as pass through expenditures.

E. Donor-Restricted Endowments

The Library invests all donor-restricted endowments in certificates of deposit. Actual earnings of the investments are allocated based on each endowment's portion of the balance. Earnings are then transferred to the Memorial and Gift Special Revenue Fund for spending as restricted by the donor.

F. Subsequent events

Management has evaluated events through March 3, 2015 and has determined there are no significant events which require disclosure.

REQUIRED SUPPLEMENTAL INFORMATION

EMPORIA PUBLIC LIBRARY

Schedule 1

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE For The Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Over (Under)</u>
Cash receipts				
Intergovernmental				
City of Emporia appropriation	\$ 691,171	\$ 691,171	\$ 691,171	\$ 0
City of Emporia appropriation for employee benefit	58,290	58,290	58,290	0
Lyon County appropriation	70,174	70,174	70,242	68
Total intergovernmental	819,635	819,635	819,703	68
Charges for services				
Fines and fees	18,000	18,000	15,108	(2,892)
Photocopying	1,500	1,500	788	(712)
FAX Service	1,200	1,200	1,507	307
Lost books	500	500	406	(94)
Computer copies	4,000	4,000	5,383	1,383
Microfilm RP copies	700	700	354	(346)
Total charges for services	25,900	25,900	23,546	(2,354)
Use of money and property	682	682	511	(171)
Miscellaneous				
Donations	0	0	8,153	8,153
Reimbursed expenses	3,000	3,000	603	(2,397)
Total miscellaneous	3,000	3,000	8,756	5,756
Total revenues	\$ 849,217	\$ 849,217	852,516	\$ 3,299
Expenditures				
Current				
Personal services				
Salaries	\$ 478,555	\$ 478,555	470,805	\$ (7,750)
Payroll taxes	38,025	38,025	35,663	(2,362)
Health insurance	39,690	39,690	34,267	(5,423)
KPERs retirement	37,000	37,000	38,033	1,033
Workmen's compensation insurance	1,600	1,600	2,849	1,249
Unemployment tax	1,000	1,000	521	(479)
Total personal services	595,870	595,870	582,138	(13,732)

See Independent Auditor's Report.

EMPORIA PUBLIC LIBRARY

Schedule 1

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE For The Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Over (Under)</u>
Expenditures				
Current				
Contractual services				
Binding	\$ 700	\$ 700	\$ 169	\$ (531)
Processing	9,000	9,000	6,492	(2,508)
Postage ILL	1,500	1,500	1,500	0
Courier ILL	1,600	1,600	1,600	0
Postage and shipping	2,500	2,500	2,675	175
Programming	2,000	2,000	503	(1,497)
Audit fee	7,300	7,300	7,468	168
Marketing	2,000	2,000	1,819	(181)
Insurance - building	8,102	8,102	8,102	0
Insurance - bond	350	350	100	(250)
Telephone	1,500	1,500	0	(1,500)
Travel & training	1,500	1,500	965	(535)
Dues	900	900	263	(637)
Training/conference registration	910	910	279	(631)
Maintenance contract - City	37,638	37,638	37,638	0
Maintenance contract - SIRSI	15,000	15,000	15,124	124
Utilities - gas	8,000	8,000	7,040	(960)
Maintenance contract - 3M	4,200	4,200	4,262	62
Utilities - water/refuse	5,500	5,500	3,470	(2,030)
Utilities - electric	41,000	41,000	41,287	287
DSL line	0	0	4,132	4,132
Technology	16,000	16,000	0	(16,000)
Maintenance & repairs	9,000	9,000	0	(9,000)
Internet	3,600	3,600	0	(3,600)
Total contractual services	179,800	179,800	144,888	(34,912)
Commodities				
Books - adult	25,150	25,150	28,249	3,099
Books - standing orders	2,750	2,750	3,394	644
Books - children	9,118	9,118	9,162	44
Microfilming	3,250	3,250	3,150	(100)
Audio books - adult	8,200	8,200	12,089	3,889
Audio books - children	1,750	1,750	1,920	170
Periodicals	6,000	6,000	3,416	(2,584)
Compact discs music - children	250	250	183	(67)
Supplies	18,000	18,000	21,001	3,001
Supplies - processing	6,000	6,000	4,975	(1,025)
DVDs - adult	7,500	7,500	6,448	(1,052)
DVDs - children	2,400	2,400	2,139	(261)
Computer games - children	200	200	74	(126)
Total commodities	90,568	90,568	96,200	5,632

See Independent Auditor's Report.

EMPORIA PUBLIC LIBRARY**Schedule 1****GENERAL FUND****BUDGETARY COMPARISON SCHEDULE
For The Year Ended December 31, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Over Over (Under)
Expenditures				
Current				
Other				
Lost ILL books	\$ 100	\$ 100	\$ 35	\$ (65)
Miscellaneous	2,129	2,129	4,864	2,735
Staff development	750	750	558	(192)
	<u>2,979</u>	<u>2,979</u>	<u>5,457</u>	<u>2,478</u>
Total other	<u>2,979</u>	<u>2,979</u>	<u>5,457</u>	<u>2,478</u>
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>27,599</u>	<u>7,599</u>
Total expenditures	<u>\$ 889,217</u>	<u>\$ 889,217</u>	<u>856,282</u>	<u>\$ (32,935)</u>
Excess (deficiency) of revenues over expenditures			\$ (3,766)	
Unencumbered cash balances, Beginning balances			<u>130,154</u>	
Unencumbered cash balances, Ending balances			<u>\$ 126,388</u>	

See Independent Auditor's Report.

EMPORIA PUBLIC LIBRARY

Schedule 1

MEMORIAL AND GIFT SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE For The Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Over (Under)</u>
Cash receipts				
Use of money and property	\$ 1,100	\$ 1,100	\$ 156	\$ (944)
Contributions	<u>35,000</u>	<u>35,000</u>	<u>46,173</u>	<u>11,173</u>
Total revenues	<u>\$ 36,100</u>	<u>\$ 36,100</u>	<u>46,329</u>	<u>\$ 10,229</u>
Expenditures				
Current				
Contractual				
Programming	<u>10,000</u>	<u>10,000</u>	<u>13,433</u>	<u>3,433</u>
Total contractual	<u>10,000</u>	<u>10,000</u>	<u>13,433</u>	<u>3,433</u>
Commodities				
Books - adult	14,000	14,000	13,025	(975)
Audio books - adult	800	800	181	(619)
Audio books - State Library Prog.	1,000	1,000	0	(1,000)
DVD's - adult	500	500	340	(160)
DVD's - children	0	0	30	30
Library supplies	<u>2,000</u>	<u>2,000</u>	<u>998</u>	<u>(1,002)</u>
Total commodities	<u>18,300</u>	<u>18,300</u>	<u>14,574</u>	<u>(3,726)</u>
Other				
Marketing	2,000	2,000	735	(1,265)
Staff development	500	500	322	(178)
Training/conference registration	500	500	0	(500)
Maintenance & repair	2,000	2,000	1,560	(440)
Miscellaneous	<u>500</u>	<u>500</u>	<u>582</u>	<u>82</u>
Total other	<u>5,500</u>	<u>5,500</u>	<u>3,199</u>	<u>(2,301)</u>
Capital outlay				
Equipment	<u>7,000</u>	<u>7,000</u>	<u>3,805</u>	<u>(3,195)</u>
Total capital outlay	<u>7,000</u>	<u>7,000</u>	<u>3,805</u>	<u>(3,195)</u>
Total expenditures	<u>\$ 40,800</u>	<u>\$ 40,800</u>	<u>35,011</u>	<u>\$ (5,789)</u>
Excess (deficiency) of revenues over expenditures			<u>\$ 11,318</u>	

See Independent Auditor's Report.

EMPORIA PUBLIC LIBRARY**Schedule 1****MEMORIAL AND GIFT SPECIAL REVENUE FUND****BUDGETARY COMPARISON SCHEDULE
For The Year Ended December 31, 2014**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance Over (Under)
	<u>Original</u>	<u>Final</u>		
Other financing sources				
Operating transfers in			\$ 514	
Operating transfers out			<u>0</u>	
Total other financing sources (uses)			<u>514</u>	
Excess (deficiency) of revenues and other sources over expenditures			11,832	
Unencumbered cash balances, Beginning balances			<u>122,379</u>	
Unencumbered cash balances, Ending balances			<u>\$ 134,211</u>	

See Independent Auditor's Report.

EMPORIA PUBLIC LIBRARY**Schedule 1**

BUDGETARY COMPARISON SCHEDULE
 BUDGET-TO-GAAP RECONCILIATION
 For The Year Ended December 31, 2014

Note A -- Explanation of Differences between Total Revenues and Expenditures - Budgetary Basis and Total

	<u>General Fund</u>	<u>Memorial and Gift Special Revenue Fund</u>
Total Revenues - Budgetary Basis as reported on the Budgetary		
	\$ 852,516	\$ 46,329
Revenues are recognized in the year cash is received for budgetary purposes, but in the year measurable and available for financial reporting (GAAP) purposes. Revenues are considered available for GAAP purposes if collected within sixty days after year-end.		
Revenues derived from accounts receivable	<u>0</u>	<u>0</u>
Total Revenues - GAAP Basis as reported on the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances	\$ <u>852,516</u>	\$ <u>46,329</u>
Total Expenditures - Budgetary Basis as reported on the Budgetary		
	\$ 856,282	\$ 35,011
Expenditures include disbursements, accounts payable, and encumbrances for budgetary purposes. For financial reporting (GAAP) purposes expenditures are recorded when the related fund liability is incurred, regardless of the need for present or future cash outlay.		
Expenditures for capital items	(102,319)	0
Changes in accruals for accrued liabilities	(9,130)	
Depreciation expense	<u>106,219</u>	<u>0</u>
Total Expenditures - GAAP Basis as reported on the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances	\$ <u>851,052</u>	\$ <u>35,011</u>

See Independent Auditor's Report.

OTHER SUPPLEMENTARY INFORMATION

EMPORIA PUBLIC LIBRARY

NONMAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF NET POSITION For The Year Ended December 31, 2014

	<u>Permanent Funds</u>		
	<u>L.J. Buck Memorial</u>	<u>Mary Jeanneret Curry Memorial</u>	<u>Groh Tribute</u>
ASSETS			
Cash and cash equivalents	\$ <u>10,002</u>	\$ <u>2,486</u>	\$ <u>5,252</u>
LIABILITIES			
Accounts payable	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
FUND BALANCES/NET ASSETS			
Fund balances:			
Nonspendable	<u>10,002</u>	<u>2,486</u>	<u>5,252</u>
Total liabilities and fund balances	\$ <u>10,002</u>	\$ <u>2,486</u>	\$ <u>5,252</u>

See Independent Auditor's Report.

Permanent Funds

<u>Stanley Hagan Memorial</u>	<u>Pat Mann Memorial</u>	<u>Anderson Memorial</u>	<u>Jane Brockhouse Memorial</u>	<u>Janet Brown Memorial</u>	<u>Susan Ellis Memorial</u>
\$ <u>4,000</u>	\$ <u>9,003</u>	\$ <u>1,000</u>	\$ <u>1,000</u>	\$ <u>2,012</u>	\$ <u>3,376</u>
\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
<u>4,000</u>	<u>9,003</u>	<u>1,000</u>	<u>1,000</u>	<u>2,012</u>	<u>3,376</u>
\$ <u>4,000</u>	\$ <u>9,003</u>	\$ <u>1,000</u>	\$ <u>1,000</u>	\$ <u>2,012</u>	\$ <u>3,376</u>

EMPORIA PUBLIC LIBRARY

NONMAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF NET POSITION For The Year Ended December 31, 2014

	<u>Permanent Funds</u>			
	<u>Barbara Fleisher Memorial</u>	<u>G.E. Glover Memorial</u>	<u>Rocky Hartzler Memorial</u>	<u>Sandy Hartzler Memorial</u>
ASSETS				
Cash and cash equivalents	\$ <u>2,001</u>	\$ <u>1,110</u>	\$ <u>1,455</u>	\$ <u>1,000</u>
LIABILITIES				
Accounts payable	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
FUND BALANCES/NET ASSETS				
Fund balances:				
Nonspendable	<u>2,001</u>	<u>1,110</u>	<u>1,455</u>	<u>1,000</u>
Total liabilities and fund balances	\$ <u>2,001</u>	\$ <u>1,110</u>	\$ <u>1,455</u>	\$ <u>1,000</u>

See Independent Auditor's Report.

Permanent Funds					
<u>Elnora Hazelrigg Memorial</u>	<u>L.T. Heritage Memorial</u>	<u>Grace Johnson Memorial</u>	<u>Esther Price Memorial</u>	<u>Eulalia Seiler Memorial</u>	<u>Margaret Spencer Memorial</u>
\$ <u>7,000</u>	\$ <u>10,004</u>	\$ <u>1,155</u>	\$ <u>2,501</u>	\$ <u>6,002</u>	\$ <u>1,000</u>
\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
<u>7,000</u>	<u>10,004</u>	<u>1,155</u>	<u>2,501</u>	<u>6,002</u>	<u>1,000</u>
\$ <u>7,000</u>	\$ <u>10,004</u>	\$ <u>1,155</u>	\$ <u>2,501</u>	\$ <u>6,002</u>	\$ <u>1,000</u>

EMPORIA PUBLIC LIBRARY**Schedule 2****NONMAJOR GOVERNMENTAL FUNDS****COMBINING SCHEDULE OF NET POSITION
For The Year Ended December 31, 2014**

	Permanent Funds				Total
	Leana A. Reed Swanson Memorial	William Clayton Swanson Memorial	Harry Toms Memorial	Cochennet Memorial	
ASSETS					
Cash and cash equivalents	\$ <u>2,428</u>	\$ <u>2,486</u>	\$ <u>5,000</u>	\$ <u>1,316</u>	\$ <u>82,589</u>
LIABILITIES					
Accounts payable	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	<u>0</u>	\$ <u>0</u>
FUND BALANCES/NET ASSETS					
Fund balances:					
Nonspendable	<u>2,428</u>	<u>2,486</u>	<u>5,000</u>	<u>1,316</u>	<u>82,589</u>
Total liabilities and fund balances	\$ <u>2,428</u>	\$ <u>2,486</u>	\$ <u>5,000</u>	\$ <u>1,316</u>	\$ <u>82,589</u>

See Independent Auditor's Report.

EMPORIA PUBLIC LIBRARY

NONMAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES For The Year Ended December 31, 2014

	Special Revenue Funds State Aid	Permanent Funds		
		L.J. Buck Memorial	Mary Jeanneret Curry Memorial	Groh Tribute
Revenues				
Intergovernmental	\$ 10,937	\$ 0	\$ 0	\$ 0
Use of money and property	0	36	7	16
Total revenues	10,937	36	7	16
Expenditures				
Current				
Commodities	10,937	0	0	0
Total expenditures	10,937	0	0	0
Excess (deficiency) of revenues over expenditures	0	36	7	16
Other financing sources (uses)				
Operating transfers out	0	(36)	(7)	(16)
Total other financing sources (uses)	0	(36)	(7)	(16)
Excess (deficiency) of revenues over expenditures and other uses	0	0	0	0
Fund balances, beginning of year	0	10,002	2,486	5,252
Fund balances, end of year	\$ 0	\$ 10,002	\$ 2,486	\$ 5,252

See Independent Auditor's Report.

Permanent Funds						
Stanley Hagan Memorial	Pat Mann Memorial	Anderson Memorial	Jane Brockhouse Memorial	Janet Brown Memorial	Susan Ellis Memorial	Barbara Fleisher Memorial
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
12	27	3	3	7	10	6
12	27	3	3	7	10	6
0	0	0	0	0	0	0
0	0	0	0	0	0	0
12	27	3	3	7	10	6
(12)	(27)	(3)	(3)	(7)	(10)	(6)
(12)	(27)	(3)	(3)	(7)	(10)	(6)
0	0	0	0	0	0	0
4,000	9,003	1,000	1,000	2,012	3,376	2,001
\$ 4,000	\$ 9,003	1,000	\$ 1,000	\$ 2,012	\$ 3,376	\$ 2,001

EMPORIA PUBLIC LIBRARY

NONMAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES For The Year Ended December 31, 2014

	Permanent Funds			
	G.E. Glover Memorial	Rocky Hartzler Memorial	Sandy Hartzler Memorial	Elnora Hazelrigg Memorial
Revenues				
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 0
Use of money and property	3	4	3	21
Total revenues	3	4	3	21
Expenditures				
Current				
Commodities	0	0	0	0
Total expenditures	0	0	0	0
Excess (deficiency) of revenues over expenditures	3	4	3	21
Other financing sources (uses)				
Operating transfers out	(3)	(4)	(3)	(21)
Total other financing sources (uses)	(3)	(4)	(3)	(21)
Excess (deficiency) of revenues over expenditures and other uses	0	0	0	0
Fund balances, beginning of year	1,110	1,455	1,000	7,000
Fund balances, end of year	\$ 1,110	\$ 1,455	\$ 1,000	\$ 7,000

See Independent Auditor's Report.

Permanent Funds					
L.T. Heritage Memorial	Grace Johnson Memorial	Esther Price Memorial	Eulalia Seiler Memorial	Margaret Spencer Memorial	Leana A. Reed Swanson Memorial
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
30	3	8	18	3	7
30	3	8	18	3	7
0	0	0	0	0	0
0	0	0	0	0	0
30	3	8	18	3	7
(30)	(3)	(8)	(18)	(3)	(7)
(30)	(3)	(8)	(18)	(3)	(7)
0	0	0	0	0	0
10,004	1,155	2,501	6,002	1,000	2,428
\$ 10,004	\$ 1,155	\$ 2,501	\$ 6,002	\$ 1,000	\$ 2,428

EMPORIA PUBLIC LIBRARY**Schedule 3****NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For The Year Ended December 31, 2014**

	Permanent Funds			
	William Clayton Swanson Memorial	Harry Toms Memorial	Cochennet Memorial	Total
Revenues				
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 10,937
Use of money and property	7	15	5	254
Total revenues	7	15	5	11,191
Expenditures				
Current				
Commodities	0	0	0	10,937
Total expenditures	0	0	0	10,937
Excess (deficiency) of revenues over expenditures	7	15	5	254
Other financing sources (uses)				
Operating transfers out	(7)	(15)	(5)	(254)
Total other financing sources (uses)	(7)	(15)	(5)	(254)
Excess (deficiency) of revenues over expenditures and other uses	0	0	0	0
Fund balances, beginning of year	2,486	5,000	1,316	82,589
Fund balances, end of year	\$ 2,486	\$ 5,000	\$ 1,316	\$ 82,589

See Independent Auditor's Report.

EMPORIA PUBLIC LIBRARY**Schedule 4****NONMAJOR GOVERNMENTAL FUNDS
STATE AID SPECIAL REVENUE FUND****BUDGETARY COMPARISON SCHEDULE**

For The Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable)
Cash receipts				
Intergovernmental				
State aid	\$ <u>10,937</u>	\$ <u>10,937</u>	\$ <u>10,937</u>	\$ <u>(0)</u>
Expenditures				
Current				
Commodities				
Books - adult	6,839	6,839	6,915	(76)
Books - children	2,015	2,015	1,892	123
Audio books - adult	890	890	904	(14)
Audio books - children	155	155	147	8
Compact discs music - adult	508	508	0	508
DVDs - adult	529	529	555	(26)
DVDs - children	<u>0</u>	<u>0</u>	<u>524</u>	<u>(524)</u>
Total commodities	\$ <u>10,937</u>	\$ <u>10,937</u>	<u>10,937</u>	\$ <u>(0)</u>
Excess (deficiency) of revenues over expenditures			0	
Unencumbered cash balances, beginning balance			<u>0</u>	
Unencumbered cash balances, ending balance			\$ <u>0</u>	

See Independent Auditor's Report.

EMPORIA PUBLIC LIBRARY

SUMMARY SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

For The Year Ended December 31, 2014

	Unencumbered Cash Balance January 1, 2014	Cash Receipts
General	\$ 130,154	\$ 852,516
Special revenue		
Memorial and gift	122,379	46,843
State aid	0	10,937
Friends of the Library Endowment	79,851	260
Permanent funds		
L.J. Buck Memorial	10,002	36
Mary Jeanneret Curry Memorial	2,486	7
Groh Tribute	5,252	16
Stanley Hagan Memorial	4,000	12
Pat Mann Memorial	9,003	27
Anderson Memorial	1,000	3
Jane Brockhouse Memorial	1,000	3
Janet Brown Memorial	2,012	7
Susan Ellis Memorial	3,376	10
Barbara Fleisher Memorial	2,001	6
G.E. Glover Memorial	1,110	3
Rocky Hartzler Memorial	1,455	4
Sandy Hartzler Memorial	1,000	3
Elnora Hazelrigg Memorial	7,000	21
L.T. Heritage Memorial	10,004	30
Grace Johnson Memorial	1,155	3
Esther Price Memorial	2,501	8
Eulalia Seiler Memorial	6,002	18
Margaret Spencer Memorial	1,000	3
Leana A. Reed Swanson Memorial	2,428	7
William Clayton Swanson Memorial	2,486	7
Harry Toms Memorial	5,000	15
Cochennet Memorial	1,316	5
	<u>\$ 413,657</u>	<u>\$ 910,805</u>

Composition of ending cash and investments

Cash on hand	\$ 158
Demand deposits	
Lyon County State Bank	48,286
Lyon County State Bank	58,913
ESB Financial	450
Time deposits	
Savings accounts	
Lyon County Bank	132,937
ESB Financial	90,961

See Independent Auditor's Report.

Schedule 5

<u>Expenditures</u>	<u>Unencumbered Cash Balance December 31, 2014</u>	<u>Outstanding Encumbrances & Accounts Payable</u>	<u>Cash Balance December 31, 2014</u>
\$ 856,282	\$ 126,388	\$ 66,070	\$ 192,458
35,011	134,211	5,036	139,247
10,937	0	0	0
260	79,851	0	79,851
36	10,002	0	10,002
7	2,486	0	2,486
16	5,252	0	5,252
12	4,000	0	4,000
27	9,003	0	9,003
3	1,000	0	1,000
3	1,000	0	1,000
7	2,012	0	2,012
10	3,376	0	3,376
6	2,001	0	2,001
3	1,110	0	1,110
4	1,455	0	1,455
3	1,000	0	1,000
21	7,000	0	7,000
30	10,004	0	10,004
3	1,155	0	1,155
8	2,501	0	2,501
18	6,002	0	6,002
3	1,000	0	1,000
7	2,428	0	2,428
7	2,486	0	2,486
15	5,000	0	5,000
5	1,316	0	1,316
<u>\$ 902,739</u>	<u>\$ 421,723</u>	<u>\$ 71,106</u>	<u>\$ 494,145</u>

Composition of ending cash and investments - continued**Time deposits**

Certificates of deposit

Lyon County Bank	\$ 109,741
ESB Financial	<u>52,699</u>
Total cash and investments	<u>\$ 494,145</u>

SPECIAL REPORT

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board Members
Emporia Public Library
Emporia, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Emporia Public Library as of and for the year ended December 31, 2014, and the related notes to the financial statements, which comprise Emporia Public Library's basic financial statements, and have issued our report thereon dated March 3, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Emporia Public Library's internal control over financial reporting (internal controls) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Emporia Public Library's internal control. Accordingly, we do not express an opinion on the effectiveness of Emporia Public Library's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose describe in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Emporia Public Library's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Agler & Gaeddert, Chartered

Agler & Gaeddert Chartered
March 3, 2015